

Weekly Economic Review

Alberta continues to gain people

Population

Destination Alberta

The population of Alberta was an estimated 4,121,692 as of July 1, 2014. Year over year, Alberta's population grew by 2.9%, adding 81,195 new residents through migration and 33,298 through natural increase. The year-over-year (y/y) growth was the strongest among the provinces and well above the national growth rate of 1.1%. In the second quarter, Alberta gained 13,204 net-migrants from other provinces, the largest provincial inflow in over 15 years. Net-international migration was 12,553, down significantly from the record second quarter last year due to smaller net inflows of non-permanent residents (Chart 1).

Average Weekly Earnings

Solid growth persists

Average Weekly Earnings (AWE) in Alberta reached \$1,153.81, sustaining high year-over-year growth at 4.8% y/y. AWE in the goods-producing industries rose 7.2% y/y and continues to drive overall gains, though the services-producing industries also posted decent growth of 3.3%. The industries with the highest earnings growth were mining, oil & gas extraction (+13.9%) and real estate, rental and leasing (13.7%).

Canadian AWE was \$940.43 in June, an increase of 3.3% y/y, the highest growth since September 2012.

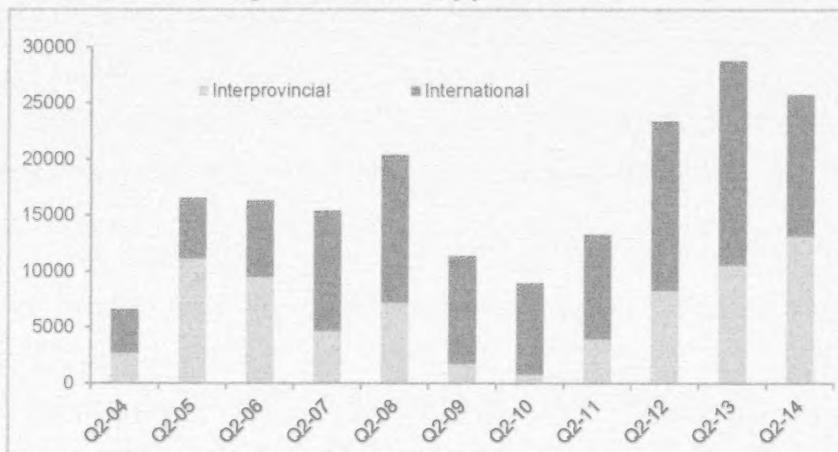
Retail Sales

Sales flying high

Alberta retail sales rose 0.3% in July to \$6.6 billion, an increase of 8.9% from the same month last year and 8.6% year to date. Gasoline stations continue to have the highest sales growth at 17.7% y/y, the ninth consecutive month

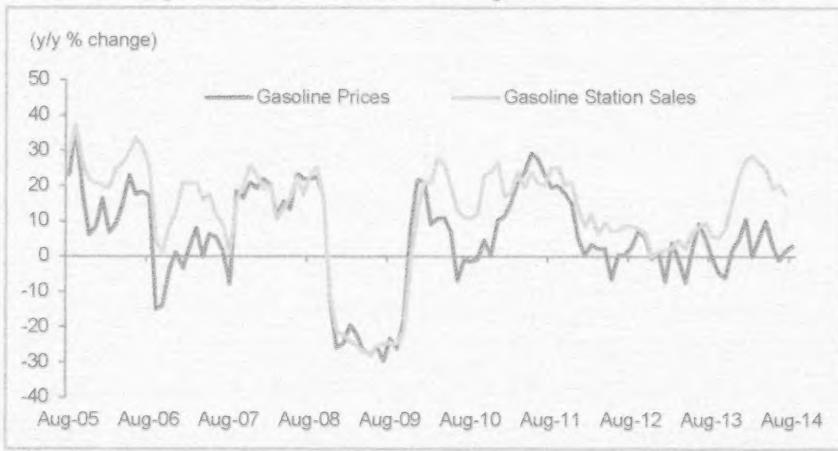
of double digit growth, despite gas prices remaining relatively flat (Chart 2). Sales from furniture and home furnishings stores increased by 14.1% y/y, the highest growth since January 2012. Motor vehicles and parts dealers had year-over-year sales growth of 12.9%, with used-car dealers seeing the biggest gains. Nationally, retail sales were \$42.5 billion in July, an increase of 5.0% y/y and 4.8% year to date. Year-to-date growth was highest in the three westernmost provinces.

Chart 1: Migration continues to drive strong population growth
Second quarter net-migration to Alberta by year



Source: Statistics Canada

Chart 2: Sales at gas stations outpace gas prices
Growth in CPI gasoline prices and sales from gasoline stations in Alberta



Source: Statistics Canada

New Residential Investment

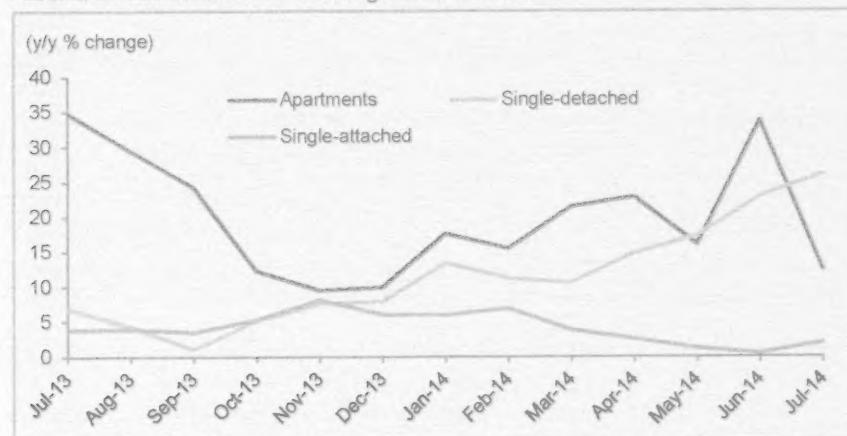
Investment in single-attached dwellings rises

Investment in new residential construction was \$932 million in July, up 7.7% from July 2013, bringing the year-to-date increase to 7.8%. The most substantial jump was in single-attached (rows and doubles), which increased 26.1% y/y (Chart 3). Investment in apartments rose 12.4% y/y, followed by single-attached dwellings at 1.9%. The continued strength in new housing investment has been encouraged by steady in-migration, which has increased housing demand.

Nationally, investment was largely unchanged from July 2013 with negative growth in single-detached and apartment spending offsetting gains in single-attached

Chart 3: Single-attached and apartments lead growth

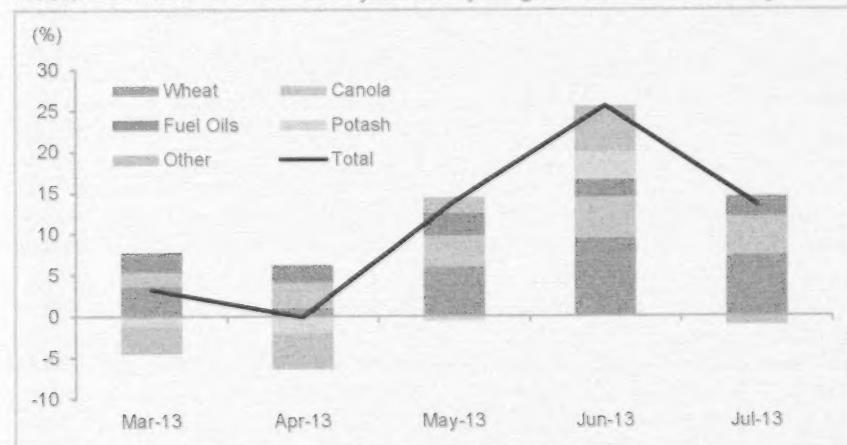
Alberta Investment in new housing construction



Source: Statistics Canada

Chart 4: Grain rail carloadings increase sharply

Western Canada contribution to year-over-year growth of rail carloadings



Source: Statistics Canada

Please see the [Alberta Economy- Indicators at a Glance](#) for a snapshot of Alberta indicators.

homes. Alberta and BC were the only two provinces where residential investment has increased year to date.

Rail Carloadings

Farm products keep moving

The number of railcars moving from Western Canada in July was 13.5% higher than in the same month last year, with another exceptional increase in agricultural rail carloadings offsetting a dip in coal shipments. Movements of agricultural railcars have been strong (Chart 4), expanding 84.0% y/y in July. Shipments have been lifted by ideal weather conditions for rail. Recent federal regulations require Canada's two major rail companies to move a minimum tonnage of grains until November. Growth in crude by rail remains elevated (38.7% y/y), but has cooled from a more rapid pace. New and expanded facilities are anticipated to be completed over the next year, which will allow for more rail shipments of crude oil. Year to date, movement of railcars has expanded 6.7%.

US GDP

Second quarter growth revised up

US real GDP growth was revised up for a second time, from 4.2% to 4.6% for the second quarter. The surge in GDP growth follows a 2.1% contraction in the first quarter amidst the harsh winter. Second-quarter growth was revised up for several GDP components, including business investment in buildings and equipment, residential investment and exports. The better-than-expected second quarter growth contributed to the US dollar gaining nearly half a cent against the loonie.

Contact

Kailer Mullet

780.427.7391